



Government of the District of Columbia
Department of Insurance, Securities and Banking



CONSUMER ALERT

810 FIRST STREET, NE, SUITE 701 | WASHINGTON, DC 20002 | WWW.DISB.DC.GOV

Life Insurance

Life Insurance Awareness Month is the Perfect Time to
Whip Your Insurance Rates into Shape

September is Life Insurance Awareness Month and there's no better time to understand how your lifestyle could affect your insurance policy. Diet and exercise are the best ways of maintaining a healthy lifestyle, but given the current economic downturn, it's becoming even more important to also keep a healthy budget. Fortunately, balancing your budget and staying healthy can go hand-in-hand. The National Association of Insurance Commissioners (NAIC), of which the D.C. Department of Insurance, Securities and Banking (DISB) is a member, provides these tips on how a healthy lifestyle may lower your insurance premiums while it lowers your risk of health concerns.

How can your health or lifestyle affect your insurance rates?

When you apply for individual life or health insurance, you provide answers to detailed questions regarding your health. Your answers provide insurance companies with an idea of your overall health. Based on your answers, insurance companies may ask for additional medical information or tests prior to considering your application for coverage.

The cost of an individual health or life insurance policy takes into account your age, height, weight, medical history, occupation, driving record, your family health history and other personal habits like smoking.

Maintaining a healthy weight, practicing good health habits and seeking regular medical care can be important in lowering your insurance costs. Health and lifestyle information gathered by the insurance company is used to determine whether you get coverage, as well as the premium you are charged.

Click [here](http://www.naic.org/documents/consumer_alert_ind_health_insurance.htm) (www.naic.org/documents/consumer_alert_ind_health_insurance.htm) to learn about what an insurance company might ask on an individual health insurance application form.

What are some of the habits that can increase premiums?

Smoking. Smokers pay higher premiums than non-smokers. Even if you only smoke a few cigarettes a day, an insurance company could charge you the same premium as a

heavy smoker. If you are a smoker or if you use smokeless tobacco, it may be possible for you to lower your insurance premium by quitting. After you have remained “smoke-free” for a time period specified by your insurance company, you may qualify for the lower, non-smoker premium.

High-risk activities. You will be asked about your hobbies and activities on your application. Insurance companies typically charge higher premiums if you participate in high-risk activities. Some hobbies considered to be high-risk activities include mountain climbing; horseback or motorcycle riding; flying an airplane or other aviation-related activities (e.g. ultra light flying, hang gliding, or sky diving). You might be able to lower your insurance premiums by cutting back on your participation in such high-risk activities. Talk with the insurance company or broker about your options.

Can my lifestyle have an effect on the insurance coverage I have through work?

If you have health insurance coverage through your employer, your employer pays a substantial portion of the total health insurance premium. The frequency, severity and duration of health insurance claims filed by you and your co-workers are taken into account every year. This assessment is used to determine the insurance rates the health insurance company charges your employer the following year. If your employer’s insurance premium goes up, the company can choose to absorb the increase or pass it on to you as an increase in the premium you pay as an employee.

Want to learn more?

Some insurance companies provide information regarding lifestyle and good health habits on their Web sites. These tools often include online nurses; health assessment and coaching; symptom checkers; weight-loss and smoking cessation advice; and information about how to improve your overall health and well-being. Ask your insurance company or broker if you have access to these types of programs.

To find a life or health insurance company licensed to do business in the District of Columbia, visit DISB at www.disb.dc.gov.

Get smart about your insurance needs! For more information about auto, home, life and health insurance options - as well as tips for choosing the coverage that is right for you and your family - visit www.InsureOnline.org.

About the NAIC

Formed 1871, the [National Association of Insurance Commissioners \(NAIC\)](http://www.naic.org) is a voluntary organization of the chief insurance regulatory officials of the 50 states, the District of Columbia and five U.S. territories. The NAIC has three offices: Executive Office, Washington, D.C.; Central Office, Kansas City, Mo.; and Securities Valuation Office, New York City. The NAIC serves the needs of consumers and the industry, with an overriding objective of supporting state insurance regulators as they protect consumers and maintain the financial stability of the insurance marketplace. For more consumer information, visit insureOnline.org.